

04-14-2003

U.S. Patent & TMO/TM Mail Rcpt Dt. #11

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

SPORTS MACHINE, INC.
d/b/a Bike Source

Opposer

v.

MIDWEST MERCHANDISING, INC.

Applicant

Opposition No.: 122,948

Application No.: 76/035,008

**MEMORANDUM BRIEF RESPONDING TO APPLICANT'S REPLY TO OPPOSER'S
ANSWER TO APPLICANT'S MOTION TO RESUME PROCEEDINGS AND ENTER
JUDGMENT UNDER TBMP 510.02(b)**

Because there is no provision in the Trademark Rules of Practice for the filing of reply briefs on motions and the fact that the Board discourages such filings (TBMP §502.03), Opposer was surprised to receive a copy of one filed by the Applicant. Because it contains several misstatements of the law and of Opposer's legal stance, and because Applicant is seeking a preemptory entry of judgment, Opposer feels compelled to file this brief response.

First, Opposer objects to the presumptuous tone of Applicant's reply brief. Originally, Applicant opposed consolidation of this proceeding with Cancellation No. 30,578 (see Exhibit A, Applicant's Memorandum in Opposition to Opposer's Motion to Consolidate Proceedings), arguing that "There Would be Little Harm, Burden or Prejudice in Allowing the Two Proceedings to Pend Separately." Now, however, Applicant is seeking to have the present Opposition preemptorily decided in its favor, thereby denying Opposer the right

to pursue the present Opposition, whereby the Board will consider whether Applicant should own a registration for the mark BIKESOURCE, in any form, not merely the stylized mark. The registration presently sought would confer upon Applicant broader rights than it presently has under the registration it owns. Opposer seeks resumption of the opposition proceedings so it may oppose such registration.

Secondly, the Board's decision in cancellation No. 30,578 concerned the stylized BIKESOURCE mark, considered in its entirety. The fact that the stylized mark was not considered to be descriptive and unregistrable does not mean the Board would automatically find that the mark BIKESOURCE in block, or other lettering, is registrable on the Principal Register. The Board may very well have felt that the stylized mark projected a separate commercial impression due to its distinctive lettering, with the larger "B" and "S". Those distinctive elements are not present in the word mark by itself.

Thirdly, Applicant is using the mark on retail store fronts, where it performs the function of a trade name.¹ Trade names are not registrable on the Principal Register. TMEP §1202.01. Opposer seeks to have the Board deny Applicant's application to register the term BIKE SOURCE, in any form, for retail bicycle services. Since a number of bicycle retailers have sought to use the words "bike" and "source" as part of their trade names, the Board may well find that the words alone do not belong on the Principal Register.

Fourth, Applicant has made much of the fact that the Board did not require a disclaimer of the term "bikesource". However, under TMEP 1213.05(a), a compound word mark such as BIKESOURCE is "considered unitary, and a disclaimer of a component will

¹Opposer uses BIKE SOURCE, in a different stylized font, as its trade name. Any common law rights stem from its distinctive presentation of the words, with the half wheel attached to the initial letter "B".

not be required unless the mark is appropriately presented in the application in a typed drawing as two or more separate words." The Board's actions are consistent with Trademark Office practice.

Finally, Applicant has quoted, and called inaccurate, a comment from Opposer's previous answer, that "not every service mark is entitled to registration on the Principal Register, yet can still function as a service mark." How can Applicant disagree? For example, a trademark or service mark which is not used in interstate or foreign commerce is not entitled to registration, yet can still function as a service mark in its geographical area of use! Further, the TMEP is full of other grounds for refusing registration of marks.

WHEREFORE, Opposer requests the Board to resume the present opposition proceeding and to deny Applicant's motion for entry of judgment in favor of Applicant.

Respectfully Submitted,

SPORTS MACHINE, INC., d/b/a Bike Source,
by its attorney

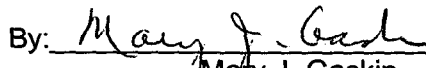


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Date: April 11, 2003

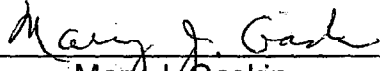
CERTIFICATE UNDER 37 CFR 1.8

The undersigned hereby certifies that this motion is being deposited in the United States Postal Service, as first class mail, in an envelope addressed to: Assistant Commissioner for Trademarks, BOX TTAB - NO FEE, 2900 Crystal Drive, Arlington, VA 22202-3513, on April 11, 2003.

By: 
Mary J. Gaskin

CERTIFICATE OF SERVICE

I hereby certify that the foregoing OPPOSER'S ANSWER TO APPLICANT'S REPLY TO OPPOSER'S ANSWER TO APPLICANT'S MOTION TO RESUME PROCEEDINGS AND ENTER JUDGMENT UNDER TBMP 510.02(b) was served on counsel for Applicant, this 11th day of April, 2003, by mailing a true copy thereof via First Class U.S. Mail, postage prepaid, addressed to Roger A. Gilcrest, Standley & Gilcrest, L.L.P., Attorney for Registrant, 495 Metro Place South, Suite 210, Dublin, Ohio 43017-5319.



Mary J. Gaskin

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**APPLICANT'S MEMORANDUM IN OPPOSITION TO OPPOSER'S
MOTION TO CONSOLIDATE PROCEEDINGS**

Applicant, Midwest Merchandising, Inc., hereby opposes Opposer's Motion to consolidate the subject proceedings (the "Opposition") with those in Cancellation No. 30,578 (the "Cancellation").

Basis of Motion

Opposer's Motion cites TBMP § 1214. However, this section only governs consolidation of *ex parte* appeals.

Consolidation of *inter partes* proceedings is governed by TBMP § 511 and Fed. R. Civ. P. 42(a). Section 511 provides:

In determining whether to consolidate proceedings, the Board will weigh the savings in time, effort, and expense which may be gained from consolidation, *against any prejudice or inconvenience which may be caused thereby.* (emphasis added).

Opposer's motion should also be denied, as it is not accompanied by a Brief as required by 3 C.F.R. 2.127(a).

EXHIBIT "A"

Timing of Consolidation is Prejudicial to Applicant

Opposer's Motion is brought after Applicant's discovery and testimony periods have closed. The only testimony period remaining is Opposer's rebuttal period in the Cancellation (which closes August 15, 2001). Accordingly, Applicant will have no further opportunity to adduce testimony on the allegations and issues first introduced in the Notice of Opposition. In contrast, if this proceeding is consolidated with the pending Cancellation, only Opposer will have the opportunity to adduce testimony regarding the consolidated proceeding post-consolidation. See TBMP § 511; *Lever Brothers Co. v. Shaklee Corp.*, 214 USPQ 654 (TTAB 1982) (consolidation denied where one case was just in pleading stage, and testimony periods had expired in other).

As described below, Opposer's pleadings raise issues or allege facts that are different than those set forth in its Petition for Cancellation. Accordingly, allowing the Opposition to remain pending will permit Applicant to properly conduct discovery and adduce any necessary testimony on the new issues and allegations raised. See discussion below.

Opposer's Pleading in the Opposition and Cancellation Raise Different Issues and Allege Different Facts That May Require Resolution through Discovery or Testimony

As pointed out in Applicant's Answer, Opposer's pleadings in the subject Opposition are substantively different than those in the Cancellation, and have raised issues or alleged facts not raised or different than those in the Cancellation.

Although the Petition for Cancellation was brought based upon Lanham Act Section 2(e)(1) ((15 U.S.C. § 1052(e)(1))), Opposer plead that it is the "owner of common law rights in the *service mark* Bike Source, which it has used continuously in the State of Texas since 1994, to identify its retail stores its retail stores for bicycles and related equipment" (emphasis added; i.e., referring to the words BIKE SOURCE as a service mark without regard to form). See Exhibit A.

In contrast, Opposer's Notice of Opposition (also based on Section 2(e)(1)) pleads that Opposer is the "owner of common law rights in a *special form* of the *service mark* Bike Source, which it has used continuously in the State of Texas *since 1994*, to identify its retail stores its retail stores for bicycles and related equipment" (emphasis added; i.e., referring to BIKE SOURCE as a service mark in an unidentified "special form"). However, that "special form" is not identified. See Exhibit B. However, to the intent understood, it appears that its stylized form of Opposer's two-word BIKE SOURCE mark was not used until some time just prior to July 31, 2000. See Exhibit C, Responses to Interrogatory 2d. and Interrogatory 6d. Accordingly, Applicant will require time to discover the basis of this apparently inconsistent allegation.

The former allegation would appear to be directly inconsistent with Opposer's position in the Cancellation, as the same words "bike" and "source" that are found in Applicant's mark and are alleged to be merely descriptive, are also precisely the same words forming Opposer's alleged service mark in which it claims common law rights. Indeed, this allegation appears to be dispositive of the Cancellation because to allege common law rights in a mark constitutes an

inherent admission that that mark has secondary meaning, which in turn is antithetical to a claim of mere descriptiveness.

The latter allegation appears to represent a substantive change in position by limiting the allegation of common law rights only to an unspecified special form of BIKE SOURCE. To the extent understood, this would appear to reference a stylized form of Opposer's mark that was recently changed from a one-word form to a two-word form.

Furthermore, Opposer's Motion contains a request that the Board consolidate the subject proceedings "for a determination of Applicant's/Registrant's rights to the service mark in *both the special and the word form.*" See Exhibit D.

Opposer's allegation that BIKESOURCE is Applicant's/Registrant's service mark in both "special" (i.e., apparently referencing a stylized script) and word form is first made in the Opposition. This allegation is directly inconsistent with the allegation of mere descriptiveness on which the Cancellation is based. Without an opportunity to fully discover the basis upon which this allegation is made, Applicant would be prejudiced.

Furthermore, this allegation, coupled with Opposer's allegation of its own common law rights, appears to raise issues of concurrent use not before the Board in the Cancellation. Discovery would be necessary to explore the basis of any claims not properly plead.

Opposer's Motion Comes during a Time when Opposer Continues to make Changes in the Use of the BIKESOURCE Mark

Opposer has continued to make changes in the form of its mark as reflected in the attached Supplemental Response to Applicants Interrogatories in the Cancellation. See Exhibit E.

This Supplemental Response was not served upon Applicant until June 12, 2001 (by mail) well after the close of Opposer's testimony period and well into Applicant's testimony period, even though at least one of the newly disclosed some of the newly disclosed documents existed for at least about six weeks prior to disclosure (see the change of fictitious name document that was created on May 4, 2001).

Without the possibility of additional discovery in the Opposition, Applicant will not be able to properly examine these newly produced items.

There Would be Little Harm, Burden or Prejudice in Allowing the Two Proceedings to Pend Separately

Even if the Cancellation and Opposition pend separately, there would be little additional harm, burden or prejudice to Opposer.

If the Cancellation is resolved in either parties' favor, it is likely that this would resolve the opposition in favor of that same party. Accordingly, because the Cancellation is in such advanced stage, there is effectively no difference in allowing the two actions to continue on parallel paths. That is, if the issue of mere descriptiveness is decided in the Cancellation, this will likely dispose of the Opposition as *res judicata* even if this issue is not formally heard in the consolidated Cancellation/Opposition. The Board need only be advised of the result.

Applicant notes however, that the registered mark in the Cancellation is in a stylized form while the mark in the Opposition is in a block letter form.

Opposer is apparently satisfied with the discovery and testimony it has obtained to date, although it still has the benefit of putting on additional testimony during its upcoming rebuttal testimony period. Accordingly, it would appear that there would be no burden on Opposer for having to conduct additional discovery or adduce additional testimony. In contrast, Applicant would be left with no opportunity to conduct discovery or adduce testimony regarding the new legal and factual issues raised by the Opposition pleadings and the changing factual environment. Accordingly, balancing the harm or prejudice to either side shows that consolidation would effectively prevent Applicant having the opportunity to explore any new issues raised in the Opposition pleadings.

By comparison, while there may be additional expense to both sides, Opposer brought the Opposition, and thus Opposer should expect that its allegations would be fairly challenged through additional discovery or testimony. The balance of expense or effort should therefore fall either equally on both parties, or disproportionately on Applicant who is now forced to respond to and defend the subject Opposition.

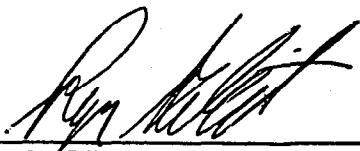
Conclusion

In view of the foregoing, Applicant respectfully requests that Opposer's motion be denied as prejudicial to Applicant as both as untimely brought with respect to the progress of the Cancellation, and in light of the new legal and factual issues raised by the pleadings and record to date.

Respectfully submitted,

MIDWEST MERCHANDISING, INC.

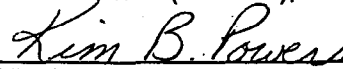
July 16, 2001
Date



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CERTIFICATE OF FIRST CLASS MAIL


I hereby certify that this correspondence is being sent via first class mail, postage prepaid this 16th day of July, 2001 to Assistant Commissioner of Trademarks, BOX -- JTAB (NO FEE), 2900 Crystal Drive, Arlington, Virginia 22202-3513.



Kim B. Powers

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing APPLICANT'S MEMORANDUM IN OPPOSITION TO OPPOSER'S MOTION TO CONSOLIDATE PROCEEDINGS was sent U.S. Mail, postage prepaid this 16th day of July, 2001 to Mary J. Gaskin, Esq., Attorney for Opposer, Sports Machine, Inc., Annelin & Gaskin, 2170 Buckthorne Place, Suite 200, The Woodlands, Texas 77380.



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**OPPOSER'S ANSWER TO APPLICANT'S REPLY TO OPPOSER'S ANSWER
TO APPLICANT'S MOTION TO RESUME PROCEEDINGS AND
ENTER JUDGMENT UNDER TBMP 510.02(b)**

Opposer, Sports Machine, Inc., by its attorney, hereby is compelled to respond to Applicant's brief in reply to Opposer's previously filed answer to Applicant's Motion to Resume Proceedings and Enter Judgment Under TBMP 510.02(b).

A memorandum brief responding to Applicant's motion, as required by 37 C.F.R. 2.127(a), is attached.

Respectfully submitted:

Date:

4/11/03

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